

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
GREENVILLE DIVISION

IN RE:)	CASE NO.
)	
CAH ACQUISITION COMPANY, #1,)	19-00730-5-JNC
LLC d/b/a Washington County Hospital,)	
)	
DEBTOR)	CHAPTER 11

**OBJECTION TO INITIAL APPLICATION BY WALDREP LLP AS
CO-COUNSEL FOR THE TRUSTEE FOR ALLOWANCE OF INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES
[FEBRUARY 22, 2019 THROUGH MARCH 31, 2019]**

NOW COMES the Bankruptcy Administrator for the Eastern District of North Carolina (“BA”), by and through her undersigned counsel, and respectfully objects to the Initial Application By Waldrep LLP as Co-Counsel for the Trustee for Allowance of Interim Compensation and Reimbursement of Expenses [February 22, 2019 through March 31, 2019] (“Fee Application”); and, in support thereof, shows the Court the following:

1. On February 19, 2019, an involuntary Chapter 7 petition was filed on behalf of CAH Acquisition Company, #1, LLC d/b/a Washington County Hospital.
2. On February 22, 2019, Thomas W. Waldrep, Jr. of Waldrep, LLP was appointed as Chapter 7 Trustee [DE #14].
3. On February 27, 2019, the Trustee filed an application to employ his law firm, Waldrep, LLP, as attorney for the Trustee [DE #20]. On March 19, 2019, the Court entered an order employing Thomas W. Waldrep, Jr. of Waldrep, LLP as attorney for the Trustee [DE #40].

4. On March 15, 2019, the Court entered an order converting this case to one under Chapter 11 of the Bankruptcy Code [DE #28]. Within the same order, the Court appointed Thomas W. Waldrep, Jr. of Waldrep, LLP as Chapter 11 Trustee (“Trustee”).

5. On May 1, 2019, Mr. Waldrep, as attorney for the Trustee, filed the Fee Application [DE #195]. Through the Fee Application, Mr. Waldrep requests total attorney for trustee compensation in the amount of \$86,384.50 and total expense reimbursements in the amount of \$6,933.27.

6. The BA has reviewed the Fee Application and she has certain concerns with the fees requested therein. More specifically, a significant amount of time billed by Mr. Waldrep and the associates/staff of Waldrep, LLP appears to relate to the performance of trustee duties as defined by 11 U.S.C. § 1106; and thus, should not be included within an application for compensation pursuant to 11 U.S.C. § 330. It is the position of the Bankruptcy Administrator that 11 U.S.C. § 326(a) governs the compensation for all actions performed with respect to typical duties of trustees. The Trustee, through a separate fee application, will be able to request a commission pursuant to 11 U.S.C. § 326 in relation to his duties as trustee.

7. The BA intends to provide the Trustee with an analysis detailing the time entries she believes to be trustee in nature, and thus, should be removed from the Fee Application.

8. The BA requests the Court hold a hearing on this objection in approximately thirty days. To the extent the BA and Trustee are not able to resolve the concerns raised by the BA, the BA will supplement this objection within twenty-one days to identify all remaining issues for the Court.

9. The BA reserves the right to amend this objection.

WHEREFORE, based upon the foregoing, the Bankruptcy Administrator respectfully objects to the Initial Application By Waldrep LLP as Co-Counsel for the Trustee for Allowance of Interim Compensation and Reimbursement of Expenses [February 22, 2019 through March 31, 2019], requests that the Court hold a hearing on this matter; and, requests such other and further relief the Court may deem just and proper.

Respectfully submitted, this 22nd day of May, 2019.

Marjorie K. Lynch
Bankruptcy Administrator

By: /s/Brian C. Behr
Brian C. Behr
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CERTIFICATE OF SERVICE

I, Rick P. Hinson, of 434 Fayetteville Street, Suite 640, North Carolina, 27601, certify:

That I am, and at all times hereinafter mentioned was, more than eighteen (18) years of age.

That on this day, I served copies of the foregoing document electronically upon the Chapter 11 Trustee:

Thomas W. Waldrep, Jr.
Waldrep LLP
101 S. Stratford Road, Suite 210
Winston-Salem, NC 27104

I certify under penalty of perjury that the foregoing is true and correct.

Dated this 22nd day of May, 2019.

Marjorie K. Lynch
Bankruptcy Administrator

By: /s/Rick P. Hinson
Rick P. Hinson
Bankruptcy Analyst
Bankruptcy Administrator's Office
434 Fayetteville Street, Suite 640
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